VZCZCXRO9980 OO RUEHAST RUEHBI RUEHCI RUEHLH RUEHPW DE RUEHNE #0239/01 0241149 ZNR UUUUU ZZH O 241149Z JAN 08 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 0128 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 5920 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 7496 RHHMUNA/HQ USPACOM HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

UNCLAS SECTION 01 OF 02 NEW DELHI 000239

SIPDIS

SENSITIVE SIPDIS

DEPT FOR SCA/INS

E.O. 12958: N/A

TAGS: PGOV PREL KDEM SOCI IN

SUBJECT: CONGRESS ROUTED, BJP FORMS GOVERNMENT IN HIMACHAL

REF: A. 07 NEW DELHI 5392 18. 07 MUMBAI 722 10. 07 NEW DELHI 4835

(SBU) On January 9, the Bharatiya Janata Party (BJP) formed the state government in Himachal Pradesh (HP) after routing the Congress Party in a head-to-head contest. Uttar Pradesh Chief Minister Mayawati,s party did not make any impression, winning only one seat and failing to replicate in Himachal the dalit-brahmin coalition that brought her to power in Uttar Pradesh. The Congress was swept out of power in HP for reasons that went beyond anti-incumbency. The party turned in an uninspiring performance in the face of an aggressive BJP campaign. It was hobbled by allegations of government corruption. The choice of Sonia Gandhi,s former bodyguard and her cook,s son as candidates was seen by voters as contempt and condescension towards the state. party also suffered from infighting and bickering. The HP victory adds to a string of state election wins for the BJP and losses for the Congress in 2007. Coming on the heels of its overwhelming win in Gujarat, the HP result helps give the BJP strong momentum going into a series of state election in 2008 and the national before May 2009. For the Congress, its 2007 electoral setbacks in the states and its bitter squabble with United Progressive Alliance (UPA) allies over the U.S.-India civil nuclear deal have weakened the party considerably. There is a growing perception among the electorate that a spineless Congress is unable to stand up to the Communists and the allies, who are in effect running the government. There are signs already that the Left parties and Mayawati are trying to distance themselves from a weakened Congress ahead of the national elections. End Summary.

BJP Government Takes Over

12. (U) Nine Bharatiya Janata Party (BJP) legislators took the oath of office on January 9 and joined the cabinet of Himachal Pradesh Chief Minister Prem Kumar Dhumal, who led the BJP to a crushing defeat of the Congress Party in state assembly elections held in December. Dhumal had himself been sworn in on December 30 in the presence of the BJP party leadership, including Leader of the Opposition L.K. Advani and four chief ministers from states ruled by the BJP or BJP allies.

- 13. (U) Despite the pre-poll expectation of a fairly even result that could have broken either way, the BJP routed the incumbent Congress Party government in this small, mountainous state, securing a 41-23 edge in the state assembly. Independent candidates won three seats and Uttar Pradesh Chief Minister Mayawati,s Bahujan Samaj Party (BSP) bagged one seat.
- 14. (U) The Congress rout was comprehensive. It lost in most areas of the state. All but three of its ministers were defeated. Observers believe that anti-incumbency, always a factor in Indian elections, played a role in the Congress defeat but the scale of the loss points to other factors as well. Most agree that the Congress Party turned in a lack-luster performance in the face of an aggressive BJP campaign. The Congress Party,s electoral organization in Himachal was simply insufficient and lacked spark, whereas BJP pulled out all the stops.
- 15. (SBU) Allegations of government corruption appeared to have stuck and were a factor in the poor Congress results. What was even more damaging, however, was perception among the voters that the Congress high command in Delhi was contemptuous and condescending of the state. Eyebrows were raised when the Congress Party gave tickets to Sonia Gandhi,s former bodyguard and her cook,s son. A video of a sitting Himachal Congress Minister consorting with prostitutes at a dance party added to a sense that the Congress party was responsible for creating an unseemly and

NEW DELHI 00000239 002 OF 002

tasteless governance environment in the state. The party also suffered from infighting and bickering in the run up to the elections. Some disaffected Congress leaders turned to the BJP or the BSP after they failed to get nominated for elections by the Congress. The squabbling intensified immediately after the elections results were announced on December 28, with different groups pointing fingers at each other.

BSP Was Non-Factor

16. (SBU) Mayawati,s BSP failed to make any impression. It contested all 68 assembly seats but won only one. Its state leader and Chief Ministerial candidate, the former Congress minister Vijay Singh Mankotia, was soundly defeated in his home constituency. Not only was the BSP unable to win any seats, it did not appear to tilt the results in individual constituencies either. Most of the BSP candidates, including Mankotia, were Congress and BJP rejects rather committed BSP partymen trying to forge the dalit-brahmin coalition that led Mayawati to power in Uttar Pradesh.

Comment: National Implications

¶7. (SBU) Although it is a small state with only four parliamentary seats, the Himachal victory adds to a string of state election wins for the BJP and losses for the Congress in 2007. Coming on the heels of Narendra Modi's smashing success in Gujarat (reftels), the BJP has built a powerful head of steam heading into polls in Chhattisgarh, Karnataka, Madhya Pradesh, Delhi and Rajasthan in 2008 and the national elections before May 2009. For the Congress, its 2007 electoral setbacks in the states and its bitter squabble with United Progressive Alliance (UPA) allies over the U.S.-India civil nuclear deal have weakened the party considerably. There are only three states today — Andhra Pradesh, Haryana, Delhi — where the Congress Party is in power on its own and without coalition partners, a humbling come down for a party that enjoyed absolute power at the center and in virtually

every state legislature only 20 years ago.

18. (SBU) There is a growing perception among the electorate that a spineless Congress is unable to stand up to the Communists and the allies, who not only exercise the veto but are effectively dictating government policy. In this vulnerable condition, the Congress will become more cautious until the next national elections. It is unlikely to pursue any bold domestic or foreign policy initiatives. As the elections approach, we will see more populist proposals emanating from the goernment. The Congress will revert to its socialist sloganeering and its tired old practice of playing vote bank politics. The old guard in the party will press for ruinously wasteful sops to the rural poor and implementation of the Sachar report's findings, measures that are not only resented by the middle classes but are also sneered at by the intended beneficiaries who, while happily accepting them, view them as cynical electoral ploys. A good indicator of the toxicity of the Congress in the run up to the next election will come if we begin to see allies picking confrontations with the Congress and threatening to or actually withdrawing from the coalition. There are signs already that the Left parties and Mayawati,s BSP are trying to distance themselves from the Congress.

MULFORD